

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 8140

BILL NUMBER: HB 1750

DATE PREPARED: Apr 14, 1999

BILL AMENDED: Apr 12, 1999

SUBJECT: School accountability.

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FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill has the following provisions:

(A) It provides that a school may be accredited by meeting the criteria for the Malcolm Baldrige National Quality Award for Education or a national or regional accreditation agency rather than under performance based accreditation:

(B) Accreditation Process: It adds additional benchmarks and indicators of performance to the school corporation annual performance report. It establishes a school accountability program for targeted and continuous school improvement. It requires each school and school corporation to develop an annual strategic and continuous school improvement plan.

(C) Professional Development: It requires a school to develop a professional development program as a part of the school's plan.

(D) School Accountability Program: It requires the Department of Education to use ISTEP scores, performance indicators developed by the Education Roundtable, and a school corporation's annual performance report to assess the improvement of each school in the school corporation. It requires the Indiana State Board of Education to develop categories of school improvement and place each school in a category. It provides a series of interventions for schools that do not show improvement based on the number of years that improvement is not demonstrated.

(E) Financial Awards: It provides for creation of a system of recognition and financial awards for schools that demonstrate improvement.

(F) It requires the Indiana State Board of Education to obtain an independent evaluation of all state education programs and policies that includes recommendations for improvement or restructuring.

(G) Repealer: It repeals a statute under the performance based accreditation law that requires the development of a level of expected performance for each school in light of the school's socioeconomic factors.

Effective Date: (Amended) Upon passage; July 1, 1999; July 1, 2001.

Explanation of State Expenditures: (Revised) This bill would have the following effects at both the state

and local level:

Professional Development Grant Program: This program would fund activities ranging from partnership programs with other entities, teacher leadership academies, workshops, seminars and site visits, and cooperative programs with other school corporations. No appropriations are included with this provision.

A school committee is appointed by the principal which would represent parents, teachers, administrators, other school staff members, business and community leaders. The committee would prepare a professional development program that integrates the school's strategic and continuous improvement and achievement plan described below. The professional development program is submitted to the school corporation's superintendent. The superintendent shall review the plan, make written recommendations to the committee and then return the program and any recommendations to the school committee. The school committee may modify the program to comply with the superintendent's recommendations. This program and plan is submitted for review to the school board, which shall either approve or reject the program as part of the plan and to submit the program to the State Board of Education as part of the plan for the school.

The school board shall then review modify compile the professional development plans into a document and forward this plan to the Department of Education for review, comment, and a recommendation of approval or rejection. The State Board of Education makes the final decision concerning approval or rejection of the plan.

Accountability for School Performance and Improvement: Under this procedure, each school principal shall, with the same school committee described above, develop an initial 3 year strategic and continuous school improvement and achievement plan and coordinate an annual review of the plan.

The plan developed by the school would be submitted to the school's superintendent by March 1 of the school year before the year of implementation for comment. Based on the superintendent's comments, the school committee may revise the plan. By May 1, the committee shall submit the plan and written recommendations of the superintendent to the school board.

The school board of each school corporation shall review revise and approve the annual plan of each school, develop an annual strategic plan for the school corporation that would, in part, identify state rules that the school board believes are a barrier to school improvement. The local school board may waive any rule adopted by the State Board of Education for which a waiver is granted except for rules regarding health or safety, special education, federal statutes or regulations and curriculum or textbooks.

Upon request by the school board to the State Board of Education, the State Board of Education may waive any statute or rule concerning curriculum or textbook selection.

Assessing Improvement: The performance of a school's students on ISTEP and other assessments is the primary means of assessing a school's improvement. The Department of Education shall assess improvement in schools by comparing each school and school corporation to its own prior performance, compare the actual results in the annual report with the benchmarks and indicators of performance established in the annual plan for the same school and compare each student's results for each grade with the student's prior year results with an adjustment for student mobility rate. The results would also be compared to the state average and 95th percentile level of all assessments and performance indicators.

DOE cannot currently compare results on a student by student basis and will need to add an identifying field.

The specific cost to do this is currently not available. In addition, either the Department of Education or each school corporation could incur additional costs to study the progress of schools from one year to the next, depending upon the recommendations of the Education Roundtable. These additional costs have currently not been determined.

Consequences: The State Board of Education shall categorize various levels of improvements and apply a series of prescriptive actions for those school corporations that are placed in the lowest category of performance for four consecutive years. As proposed, the actions, in a series of interventions, for schools that do not show improvement would be based on the number of years that improvement is not demonstrated. The lowest category would be schools that do not show improvement and in which less than 90% of the students meet academic standards. Schools in the lowest category in the first year would be required to issue a public notice about the school's lack of improvement and hold a public hearing in which public testimony is received concerning the lack of improvement. The committee that developed the school's plan shall revise the school's plan to include shifting resources, changing personnel or to appoint an outside team to manage the school or assist in the development of a new plan.

By the fourth year, if the school is still in the lowest category, the State Board of Education shall hold at least one public hearing in the school corporation where the school is located to consider and hear testimony concerning options for school improvement and implement whatever intervention that the Board determines will improve the school.

Student Educational Achievement Fund: This fund would be established on July 1, 2001. Its purpose is to stimulate and recognize improved student performance in meeting academic standards under the ISTEP program. The Department of Education would administer the fund based on recommendations made by the Education Roundtable. The maximum amount that would be available is based on the number of full time certified teaching positions for the school. Beginning with the 2002-2003 school year, a school would be entitled to a grant if at least 90% of the school continue to meet the academic standard under the ISTEP program. Money in the fund at the end of the fiscal year does not revert to the General Fund.

State Evaluation: Before June 30, 2000, the State Board of Education would be required to obtain an independent evaluation of all state education programs and policies to strengthen the state accountability program and align the accountability program with state education goals as expressed in the state standards and assessment programs.

No appropriations are included in the bill to pay for the costs of the accountability programs or evaluating current state policies.

Explanation of State Revenues:

Explanation of Local Expenditures: School corporations in which a special management team is assigned to operate all or part of the school may need to pay for additional administrators if current administrators are dismissed but are still under contract.

Explanation of Local Revenues:

State Agencies Affected: Department of Education; State Board of Education

Local Agencies Affected: School Corporations

Information Sources: